

**MONDAY – 6:30 P.M.**

**AUGUST 30, 2010**

**JOINT CITY/COUNTY**

The City Council of the City of Elizabeth City met in a joint meeting with the Pasquotank County Commissioners on the above date and time at Montero's Restaurant located on McArthur Drive, Elizabeth City. Those members present were: Roger McLean, Mayor, Anita Hummer, Mayor Pro Tem, and Council Members: Michael Brooks, Lena Hill-Lawrence, Rickey King, Tony Stimatz and Johnnie Walton. Council Members J. M. Baker and B. S. Meggs were absent. City staff attending was: City Manager R. C. Olson, City Clerk Dianne S. Pierce-Tamplen, City Attorney William H. Morgan, Parks and Recreation Director Bobbie V. White, Public Utilities Director Paul A. Fredette, Finance Director S. E. Blanchard, Fire Chief Larry Mackey and Police Chief Charles Crudup. Also attending were the Pasquotank County Commissioners, County Clerk, County Attorney, County Manager and Assistant County Manager.

Council and Commissioners enjoyed a delicious meal prepared by Montero's Restaurant.

Mayor McLean and Chairman Stevenson established a quorum was present and called each unit of government to order at 6:30 p.m. Councilwoman Lena Hill-Lawrence gave the invocation after which the Pledge of Allegiance to the Flag of the United States of America was given. McLean and Stevenson welcomed those attending.

**1 } UPDATE ON ELIZABETH STREET RECONSTRUCTION PROJECT:**

City Manager R. C. Olson informed the group the Elizabeth Street Reconstruction Project (NCDOT Project U-4438) continues to progress at a very rapid speed. After conferring with NCDOT representatives, we believe that the scope of the project has now been defined and construction details are being worked on. He called upon Randy Midgette, NCDOT Resident Engineer and Sean Robey of Hyman and Robey to discuss the project. They will give a brief overview of the project.

Mr. Midgette advised that NCDOT is embarking on an aggressive update and rebuilding of Elizabeth Street. The limits of the project will begin at the intersection of Road Street and Elizabeth Street and will end across the bridge at Camden Causeway. The plan for the construction of the road base is to leave the existing concrete deck supported on piles between the west end of the bridge and Martin Luther King, Jr. Drive in place and to set additional piles as necessary to support the concrete deck. After the new piles are set and secured to the existing concrete deck, they plan to mill the surface of the existing road to allow for a new concrete overlay of the existing deck and a paved surface that

will be the same or close to the elevation of the existing road surface. The second phase of the project will be from Martin Luther King, Jr. Drive to the existing bridge and the third phase is reconstruction of the east bound bridge. On the west end of the project (MLK Drive to Road Street), the plan is to undercut the existing road by four feet and to fill the section with about four feet of a light weight concrete. NCDOT has introduced the redesign of the reconstructed roadway section of Elizabeth Street to save both time and money on the project. He stated that DOT will begin load testing next week. The testing will be done in the center lane. He said the project is scheduled to go out for bids in April 2011 and construction should begin late summer or early fall of 2011.

Mr. Olson stated the redesign of the road section has necessitated a change in both the utility design and the drainage system design. The City has already moved the Elizabeth Street crossing from Poindexter Street to MLK Drive. The estimated construction cost to replace the water and sewer lines is \$6,648,000 and we are still waiting for the estimated costs for moving the power lines. He advised that during the construction, a number of one way streets will be open in both directions to accommodate the traffic flow. He continued by saying this is one of the largest public works project in the northeast. It will cost approximately \$90 million upon completion.

## **2} UPDATE ON DEBRIS MANAGEMENT CONTRACT:**

Christy Saunders, EMS Coordinator stated that she, along with Mike Etheridge and Larnetta Brothers have been working on an RFP for debris management. We need a contract to be in place should a major hurricane or disaster occur. FEMA requires competitive bids in order to be eligible for reimbursement funds for debris removal. The success of the City's recovery after a disaster is linked to the efficient management, removal and disposal of the debris left behind by the event. A vital component is to secure a pre-event disaster recovery contract with the service of an experience contractor capable of efficiently removing large volumes of debris. The contractor would be required to utilize local sub-contractors. She said such contractors would be required to present a performance bond and a certificate of insurance. The procurement of a contract would be subject to all provisions as outline in 44 CFR Part 13; including, but not limited to, the requirements to allow for competitive bidding and reasonable costs.

Mr. Olson said FEMA recommends use of a pre-drafted or pre-event contract for debris management. There would be no costs associated with having the contract in place and the City is under no obligation to use the services of the contractor until a Notice to Proceed is issued.

County Attorney Mike Cox advised that he would like to have a contract prepared than can be attached to the RFP when it goes out.

Christy acknowledged that the debris contract will not be in place for the current hurricane season.

***A motion was made by Councilman J. A. Stimatz, seconded by Mayor Pro Tem L. A. Hummer to move forward with a joint RFP for debris management. Those voting in favor of the motion were: Stimatz, Hummer, Brooks, Hill-Lawrence, King and Walton. Against: None. Motion carried.***

The County Commissioners passed an identical motion.

**3} PARKS AND RECREATION INTERLOCAL AGREEMENT AND RELATED FUNDING CONCERNS:**

City Manager Olson stated joint funding of the City's Parks and Recreation Department began in 1974 when the County first contributed to the operation of the department. We entered into a contract for these services and the last contract expired in June 2006. This fiscal year the County contributed \$419,200. As of July 1, 2010, the City and County Parks and Recreation Departments have been combined through an Interlocal Agreement. The following is the highlights of that agreement:

- a} City of Elizabeth City maintains all the parks in the County;
- b} City of Elizabeth City develops the budget;
- c} County of Pasquotank pays 55%-City of Elizabeth City pays 45% of operation costs;
- d} City Manager to prepare budget and present to County by April 1<sup>st</sup> of each year;
- e} All existing assets remain with the respective entity;
- f} Real property is retained by each respective entity;
- g} The term of the Agreement is for five years beginning July 1, 2010 and expiring June 30, 2015;
- h} There is a one year termination clause;
- i} An Advisory Board will be created consisting of three City and three County appointees including one elected official from the City, one elected official from the County and two citizens appointed by each of the respective boards.

He continued by saying that there have been a number of concerns regarding the budget. The total budget for 2010-2011 is \$1,270,772 which represents \$572,008 (55%) from the City and \$698,764 (55%) from the County. Due to budget restraints the County did not fund \$29,000 of their 55%.

County Manager Keaton stated that the County has experience sufficient changes in the County health insurance costs and retirement increases. He also noted that the operating expenses for the River Road Soccer Complex were more this year because there were added expenses for the start up of the complex.

Chairman Stevenson stated he feels that we should have a completed budget for presentation in April. He said that he feels that each unit of government can agree on a budget ahead of time that there should not be an impasse again.

Commissioner Trueblood asked that all members search for citizens to serve on the Advisory Board.

Parks and Recreation Director B. V. White stated that she has enjoyed working with the employees and she feels the combination of the two departments is working very well. The implementation of the joint combination has been a great process.

**4} FUNDING APPROPRIATIONS FOR JOINT  
BOARDS/COMMISSIONS/AUTHORITIES, INCLUDING  
INTERLOCAL AGREEMENTS:**

Mr. Olson stated that through the years, the City of Elizabeth City and Pasquotank County have joined together to provide services and facilities for the residents of Pasquotank County. In some instances, it was the result of the two governing bodies studying the issues and reaching a conclusion that it was in the best interest of each to undertake a joint operation or service. The authority for the city and county governments to enter into Interlocal governmental agreements on services and facilities is very broad. There are many areas where the city and county governments co-operate in the provision of services to the residents of Pasquotank County. Presently the following areas of service are jointly administered through either formal agreements, informal agreements or through a pattern of past practices:

- a} Economic Development
- b} Tax Collections
- c} Airport
- d} E-911 Emergency Services (Central Communications)
- e} Water Distribution and Treatment
- f} Sewer Collection and Treatment
- g} Fire
- h} Animal Control
- i} Parks and Recreation

Councilman J. A. Stimatz said that the City is paying money to the County as it's share of the costs of operation for several services and there is not an agreement or contract for same. There is nothing to show what the City or County is getting in return for these funds. As a unit of government we should not be doing anything that involves money without a contract or an agreement. He would like to see the managers and attorneys for each unit of government get together and draft agreements for the Central Communications and the Animal Control and any other entity where an agreement does not exist such as Community Relations Commission. He would like to see this draft within 90 days.

County Manager Keaton explained that Animal Control has never had an agreement as it has always been understood that the Sheriff's Department provides Animal Control Services for the City and the City pays its share. Central Communications was created by a joint resolution which provides a Central Communication Advisory Board. The Board has the authority to develop any rules and regulations they deem necessary. The City has a representative on this Board.

Mr. Stimatz said that he still feels that we should have an Interlocal Agreement that explains where and what the funds collected from the \$1.00 telephone tax that every person that owns a phone pays. Since the City pays a substantial amount of this tax he feels that the City should benefit from the collection of it as well as the County.

Mayor McLean advised that the City would draft Interlocal Agreements for the Central Communications, Animal Control and the Community Relations Commission; bring it back to the City Council for review before presenting it to the County Commissioners for their review.

## **5} SALES TAX ALLOCATION AND POSSIBLE FIXED PERCENTAGE:**

Mr. Olson stated for a number of years, the City has made formal request to the Board of County Commissioners to make changes to the distribution formula for sales tax. Sales tax accounts for 15% of the revenue we receive in the General Fund to pay for basic services. North Carolina has authorized the basic state tax of four and a half cents and the following four different local sales and use taxes:

- a} Article 39 One Cent Tax – Net proceeds are allocated to the County of origin – distribution is made based on a point of delivery basis.
- b} Article 40 – One-Half Cent Tax – Net proceeds are allocated on a per capita basis amount all counties instead of on a point-of-delivery basis
- c} Article 42 One-Half Cent Tax – Allocated on a point of delivery basis.

- d} Article 44 (City Hold Harmless) – 150% of non-food sales and use tax revenue allocated under Article 40 minus 25 percent of non-food sales and use tax revenue allocated under Article 39. Payment made only to municipalities.

Each County selects the distribution of the proceeds among counties and local governments based on the per capita or ad valorem method. The method selected applies to each article and may be changed each year in April to be effective the following fiscal year. If the County would use the per capita method it would result in approximately \$680,934 more in sales and use taxes to the City each year. The County has stated numerous times that they will not change the method of distribution from ad valorem to per capita. To stop the continued loss of dollars caused by the County's increase in property taxes the City has proposed that the City and County negotiate an Interlocal Agreement which would require the County or City to provide an offset the year after the County or City increased their ad valorem rate to hold the other entity harmless for the decrease in sales tax dollars.

Following discussion the City of Elizabeth City asked that the Pasquotank County Commissioners consider a fixed distribution percentage at 75% for the County and 25% for the City in order that the City is not blindsided when the County increases ad valorem taxes which affects the sales tax distribution percentage. No action was taken at this time.

**6} ADJOURNMENT:**

There being no further business to come before the Joint Meeting at this time, Mayor McLean entertained a motion for adjournment.

***A motion was made by Councilman J. A. Stimatz, seconded by Councilman M. E. Brooks to adjourn the meeting. Those voting in favor of the motion were: Stimatz, Brooks, Hill-Lawrence, Hummer, King and Walton. Against: None. Motion carried.***

Mayor McLean adjourned the meeting at 9:05 p.m.

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

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Roger A. McLean  
Mayor